SPECIALISTS IN SATELLITE, MEDIA AND TELECOM INVESTMENT BANKING

FROM THE GROUND UP

HAPPY HOLIDAYS

December 2006

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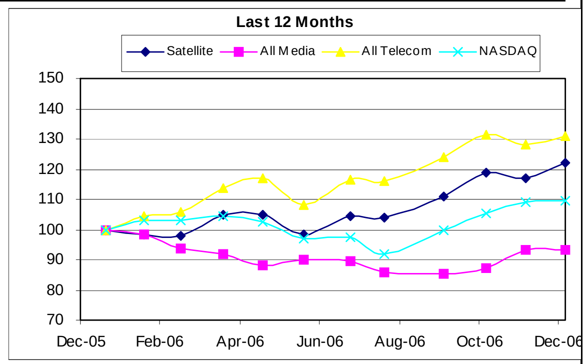
Near Earth Market Indices



See page 8 for details on index constituents.

THE WAY WE SEE IT…

Satellite: Strategic consolidation, ownership realignment, and expansion, have been something of a theme in the sector during the recent month, as **Loral** snared **Telesat** (or is it vice versa? see our "From the Deal Side" article in this issue); **Eutelsat** transferred significant ownership away from private equity (Spectrum, TPG, Goldman, Cinven, Eurazeo) to Abertis Telecom S.A. and Caisse des Depots et Consignations; and **DIRECTV**'s ownership was consolidated by **Liberty Media** in an exchange of its **News Corp** stake. Separately, after years of delay, **WildBlue** tripled its capacity to provide satellite broadband with the successful launch of its first 100% owned satellite.

Media: The directions of two bellwethers in their respective sectors – **Clear Channel** and **Tribune Co.** – are being closely monitored for clues to the future of radio and newsprint, both industries under Wall Street scrutiny of late. Clear Channel has suggested that greater asset sales than initially contemplated (now including the potential for big-market properties) may be part of its going private transaction, while Tribune has announced it will extend its sale or break-up decision into Q1 2007. The eventual actions of both companies could set the course for broader strategies to be followed by others, and the pursuit of "new media" initiatives could be foremost on radio as well as newsprint agendas, reflecting significant changes in consumer habits and the introductions of new technologies.

Telecomm: In the second chance department, **Clearwire** has filed for a $400 million IPO, after withdrawing a similar offering earlier this year. With over $1.2 billion in cash on hand following their private round with **Intel** and **Motorola**, is management telling us something about their opinion regarding current valuations in the sector?

Hoyt Davidson
hoyt@nearearthllc.com
(212) 786-7462

J. Armand Musey, CFA
armand@nearearthllc.com
(646) 452-9931

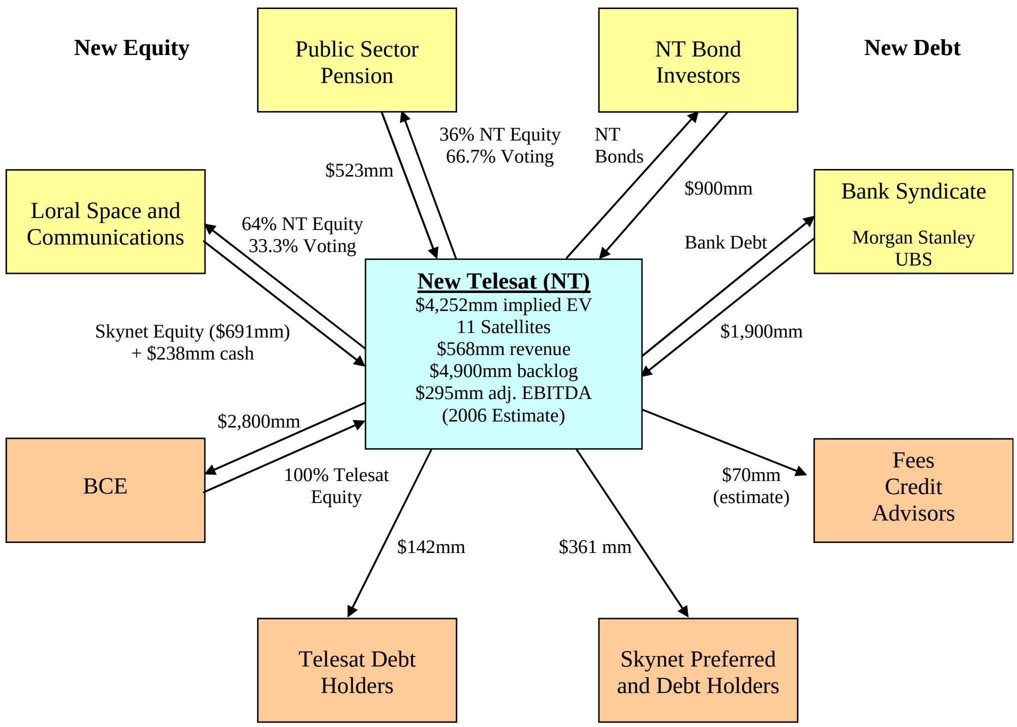
John Stone
john@nearearthllc.com
(646) 290-7796

Dan Ramsden
dan@nearearthllc.com
(646) 843-9799

Kuni Takahashi
kuni@nearearthllc.com
(646) 843-9806

Matthew Yukelson
matt@nearearthllc.com
(646) 290-7794

Loral Snares Telesat



Loral Space and Communications recently announced that, in conjunction with the Canadian Public Sector Pension Investments Board (PSP), it was purchasing Telesat Canada from Bell Canada Enterprises for $2.8 billion plus $148 million in assumed debt (all figures in this discussion are stated in U.S. dollars). The overall structure for the transaction is shown in the figure above.

…The implied valuations for both Telesat ($2.94 billion) and Loral Skynet ($1.05 billion) set new valuation benchmarks for smaller satellite operators.

What then are the implications of this deal? First, we note that the implied valuations for both Telesat ($2.94 billion) and Loral Skynet ($1.05 billion) set new valuation benchmarks for smaller satellite operators, and demonstrate continued appetite for FSS firms on the part of debt and private equity investors – even at valuations that heretofore would be considered rarefied. In the case of Telesat , we think a lot of the premium has to do with the nature of Telesat's asset base, which is focused on North America and direct to home television services. Simply put, this is the crème de la crème of satellite assets – North America is wealthy, growing and largely capacity constrained at Ku frequencies. With millions of subscribers pointed at an operator's satellite, the direct to home sector has extraordinarily high switching costs compared to traditional satellite, which further enhances the visibility of associated cash flows. While these are clearly desirable assets from a financial perspective (as demonstrated by the heated bidding), we also believe that the strategic fit of the transaction also makes a lot of sense, and the winning bid reflects to no small extent the pressure that smaller operators in the industry face to consolidate (and, the potential gains). Alternatively, one can say that investors are betting big that the synergies from the combination will be substantial and quickly realized.

…Much of the operations and marketing expense are achieved as an operator reaches 12 satellites, with only diminishing benefits to scale beyond that point.

What of the new company (to be called Telesat)? With the scale that a fleet of 11 satellites affords, and a global footprint, we view the new Telesat as being a clear case of the sum exceeding the parts. While still a far cry from the global fleets of industry giants Intelsat (50+ satellites) and SES Global (40+ satellites), we note that much of the operations and marketing expense are achieved as an operator reaches 12 satellites, with only diminishing benefits to scale beyond that point. This transaction gets Telesat most of the way there, though we still expect the merged firm to continue to grow by acquisitions and, to a lesser extent organically. One obvious means of bulking up could be an acquisition of Satmex, which would geographically integrate very well with Telesat providing a strong position in the Americas with additional global coverage. Alternatively, the new Telesat could be viewed as an even more attractive acquisition target for a larger operator – though the sheer scale and overlap could attract substantial regulatory scrutiny if the bidder was Intelsat or SES Global. Now, if the bidder was Eutelsat…

What of the old company (i.e. Loral)? With controlling stakes in SS/L (100%), Xtar (56%) and noncontrolling stakes in the new Telesat, Globalstar, and Satmex, Loral is starting to look more and more like a satellite industry mutual fund – much like Hughes Electronics in its heyday. While we would expect to see SS/L compete for satellite orders from the new Telesat, we note that given the fairly tight margins that satellite orders fetch, the overall effect is likely to be de minimus. It will be interesting to see the way that Telesat and Loral divide the substantial overhead expense the current Loral labors under.

Finally, we have to expect that the people with the corner offices at Intelsat and SES are viewing this transaction with a mix of feelings. While the deal does pump up valuations in the sector, and thus may be a good bellweather for an eventual exit for Intelsat's private equity owners, this good comes with a price: it creates a more formidable competitor – not just for customers, but also for deals. Clearly, things are going to get even more interesting from here…

Transaction Overview:

Sources of Cash	**Amount (in $mm)**	**In Exchange for**
PSP	$523	36% Equity, 66.7% votes
Loral (also gave up Skynet equity of 691 mm)	238	64% Equity, 33.3% votes
Bank Syndicate	1,900	
Bonds	900	
Total	$3,561	
Uses of Cash		
Telesat Debt Holders	$142	
Fees	70	
Skynet Preferred and Debt	361	
Cash for Working Capital and Contingencies	188	
BCE	2,800	100% stake of Telesat
Total	$3,561	

By John Stone

Near Earth LLC

The Year Behind, the Year Ahead

*This article appears in the December 11, issue of *Space News* (www.space.com).

…The total pie of demand and revenues is growing at a sufficient rate to provide the satellite sector with significant and attractive growth opportunities for the foreseeable future.

This year has shown continued positive growth across all sectors of the satellite industry and has been filled with important events and signs of new directions for the future. The satellite industry, however, is still a very small niche within the global telecommunications and media sector.

For example, the total cost of commercial satellite launches in 2006 is on the order of $4 billion, whereas Verizon alone has announced capital expenditures for new fiber of $25 billion. In addition, Clear Channel, with flat revenue prospects at best, has just been valued at $26.7 billion, an amount twice as high as the entire satellite radio industry combined.

The satellite industry's tail may be wagging more vigorously these days, but the telecommunications/media dog will continue to be driven largely by technology evolution and changes in end user needs on the ground. This will be particularly true in the dynamic video consumption world and the rapidly expanding broadband wireless market.

The good news is that despite a seemingly unstoppable satellite decline in overall telecommunications and media market share versus terrestrial providers, the total pie of demand and revenues is growing at a sufficient rate to provide the satellite sector with significant and attractive growth opportunities for the foreseeable future. Our recap of 2006 and predictions for 2007 are below:

We also expect increased interest in non-FSS add-on acquisitions for vertical integration of downstream service businesses, especially to better serve government customers.

Fixed Satellite Services (FSS)

If 2005 was the year of private equity and consolidation, 2006 was the year of integration, cost cutting and strategic realignment. Next year should show the fruits of this year's efforts with improved profitability, continued asset rationalization and renewed FSS consolidation. We also expect increased interest in non-FSS add-on acquisitions for vertical integration of downstream service businesses, especially to better serve government customers. However, some of this interest will be constrained by an even greater interest in leveraged buyout debt reduction.

Big stories for the year were the closings of the Intelsat/PanAmSat and the SES/New Skies deals. Integration efforts have lead to management shuffles and headcount reductions. Right now, there is plenty of talent on the street to spark new satellite ventures, and we would be surprised if we did not see some come to fruition.

2007 Predictions:

- Transactions involving the acquisitions of at least two of the following FSS companies will be announced: Telesat Canada, Loral Skynet, SatMex or XStar
- Eutelsat capital structure or ownership is materially altered

- Intelsat announces an initial public stock offering
- Average global capacity utilization and transponder pricing continues its gradual improvement
- Video and datacasting applications continue to drive industry profitability as efficiencies of satellite point-to-multi-point broadcasts protect industry from expanding fiber, cable and wireless alternatives
- Two-way broadband subscribers and traffic expand with successful launches of Wildblue 1 and Hughes' Spaceway

Direct Broadcast Satellite (DBS)

DBS again far outpaced the cable industry in subscriber acquisitions.

Despite the prediction by many of a transition year for DBS versus cable given the triple play onslaught of video, Voice Over Internet Protocol and broadband Internet access, DBS again far outpaced the cable industry in subscriber acquisitions.

Wall Street analysts estimate total net subscriber adds of approximately 1.8 million for DBS and roughly 350,000 for cable. Roll-out of high definition and significant new niche content combined with digital video recorder subsidization maintained the DBS value proposition versus cable, but at substantial expense. Revenues are up, profitability is down. On the technology front, higher-powered satellites, spot beams and compression (MPEG-4) continue to dramatically lower cost per bit, even as the number of bits broadcast increases.

2007 Predictions:

- DBS firms will continue to offer competitive video services in their core markets while introducing new services and content
- Pressure for a triple and perhaps a quadruple play adding wireless services continues to build
- DBS firms announce wireless broadband strategies to address triple play question; or one of the DBS companies announces a business combination with a major teleco or wireless company
- IPTV competition from telecos and rural cable grows but does not yet present a strong threat
- As gross subscriber additions moderate due to market saturation and competition, the DBS firms become even stronger cash-generating machines

Continued solid subscriber gains, improved service offerings and a brightening light at the end of the negative cash-flow tunnel have recently renewed investor interest [in SDARS].

Digital Audio Radio Service

XM Satellite Radio and Sirius Satellite Radio stocks started the year at $28.15 and $6.52 and reached lows of $9.63 and $3.60, respectively, before rebounding somewhat to $14.61 and $4.17 as of Dec. 4.

Investors appear worried about further delays in the point at which either or both will become cash flow break even and a potential downward adjustment in long-term profitability due to higher content costs, rising subscriber acquisition costs, constrained average revenue per user and the threat of iPOD, MP3 and cell phone music services. However, continued solid subscriber gains, improved service offerings and a brightening light at the end of the negative cash-flow tunnel have recently renewed investor interest.

2007 Predictions:

- A restructuring, recapitalization or acquisition of WorldSpace Inc. to better exploit its valuable L-band spectrum
- Announcement of at least one major strategic relationship with Internet media

Mobile Satellite Services

This was a huge year for mobile satellite services — a phoenix-like rise from the ashes of bankruptcy. This rebirth was largely the result of fresh-start balance sheets and the risk capital of new owners, but also was sparked in part by the gifts of ancillary terrestrial component (ATC) spectrum and very active U.S. government demand.

This was a huge year for mobile satellite services … the result of fresh-start balance sheets and the risk capital of new owners…

Spectrum values grab investor interest. For example, cellular and cable companies paid $13.7 billion for advanced wireless service spectrum (more than 50 cents per MHz-Pop), continuing their warehousing of massive amounts of wireless spectrum while setting a benchmark for ATC spectrum and calling into question the timing of its demand.

Motient and SkyTerra reconfigured to separate their ownership structure into pure L-band (MSV) and S-band (TerreStar) plays. Globalstar and Orbcomm complete their initial public stock offerings on the backs of strong subscriber growth and projections and, in GlobalStar's case, the extrapolated value of its ATC spectrum.

The trading levels have been disappointing, but Globalstar has received real market value for its ATC spectrum and both companies now have significant cash to expand marketing efforts and begin fleet renewal activities.

The International Traffic in Arms Regulations continue to transfer market share from the United States to Europe and eventually China, India, Japan and Russia…

Inmarsat, not standing still against this resurgent competition, acquires ACeS and launches its Inmarsat BGAN service. Much of this progress is due to the onward advance of technology, which has given us significantly lighter, smaller and more affordable phones and user terminals with longer battery lives.
Combined with the balance sheet restructurings, we now have more realistic sub 10-cent-per-minute usage charges in many markets.

2007 Predictions:

- MSS subscriber additions will remain strong
- ATC search for strategic cellular/wireless partners will continue but mostly with no success
- At least one and possibly two business consolidations among Inmarsat, Iridium, GlobalStar, MSV, TerreStar, ICO and Thuraya are announced in large part to gain a critical mass of spectrum and share infrastructure costs

Satellite Manufacturing, Launch & Insurance

In the United States, Lockheed Martin Corp. and Boeing Co. focus on government customers and higher priced commercial satellites allowing Space

Systems/Loral to expand its domestic share of the commercial market (hard to compete on price with a company coming out of bankruptcy).

The International Traffic in Arms Regulations continue to transfer market share from the United States to Europe and eventually China, India, Japan and Russia, but the export process does appear to be getting faster if not more lenient.
Large, powerful satellites in geosynchronous orbit still rule the day, however, Orbital's small geosynchronous satellite continues to gain significant new orders in a trend we expect to continue into 2007.

The launch industry remains highly competitive and fragmented with the two Evolved Expendable Launch Vehicle suppliers, Lockheed Martin's Atlas and Boeing's Delta, finally getting approval to merge operations to survive. The newly merged company began operations as ULA Dec. 1. New vehicles like the Space Exploration Technologies Corp.'s (SpaceX) Falcon are on the drawing boards in the United States and several other countries, but unlikely to provide much lift capability in the heavy geosynchronous segment for several years.

Insurance providers get a year of historically low failure rates and good premium income. As always, this means more money will flow into the market and push down insurance rates — good news unless you are an insurance broker.

This was, however, the first year where we saw a growing realization among senior management that consolidation had to occur…

2007 Predictions:

- Space Systems/Loral is put in play with bidders encouraged by activist Loral shareholders
- Another year of low failure rates
- International Launch Services finds a new home
- Sea Launch sees some shareholder change
- SpaceX completes several successful launches
- Insurance rates go lower

Satellite Ground Segment

Companies winning government contracts did quite well, while many commercially focused firms continue to suffer from a deeply fragmented and inefficient industry. This was, however, the first year where we saw a growing realization among senior management that consolidation had to occur — and soon — in order to attract and reward investors, achieve regional or global marketing strength, fund research and development for exciting new applications and eat into the larger terrestrial telecom pie.

2007 Prediction:

- The year ahead should be one of significantly increased industry consolidation

By Hoyt Davidson

Near Earth LLC

NEAR EARTH ANALYSIS: MARKET COMPARABLES

Public Market Valuation Analysis of Selected Companies in the **NEAR EARTH TELECOM INDEX**

($ in millions, except per share data)		Stock Price:			Enterprise Value as a Multiple of:			Price as a Multiple of:		
			Market Value	Enterprise	LTM	LTM	LTM	LTM	2006E	2007E
	Company	12/14/06	of Equity	Value (a)	Sales	EBITDA	EBIT	EPS	EPS (b)	EPS (b)
	Satellite Capacity Leasing (FSS)									
LORL	Loral Space & Comm (new)	$ 33.68	$673.6	$695.2	0.9x	10.9x	n/m	n/m	n/m	n/m
SESG.PA	SES Global S.A. (c)	$ 17.42	$11,977.3	$16,076.6	8.0x	11.6x	20.5x	19.7x	17.6x	15.3x
				Mean	5.5x	11.4x	25.7x			
	Satellite Equipment Manufacturers & Integrators									
GILT	Gilat Satellite Networks	$ 8.86	$355.7	$282.6	1.2x	9.0x	25.0x	48.2x	23.9x	19.3x
GCOM	Globecomm	$ 9.06	$143.5	$117.7	1.0x	18.3x	34.5x	33.0x	19.3x	14.6x
VSAT	ViaSat	$ 28.38	$866.2	$819.7	1.7x	14.3x	25.3x	35.5x	23.3x	19.0x
ORB	Orbital Sciences	$ 19.33	$1,154.0	$1,047.5	1.3x	13.8x	17.0x	33.0x	32.8x	27.2x
RADN	Radyne Comstream Inc.	$ 9.97	$188.7	$163.9	1.2x	7.6x	9.1x	15.0x	15.3x	12.5x
CDV	COM DEV International (d)	$ 5.92	$356.5	$344.0	2.8x	16.0x	22.4x	n/m	n/m	n/m
				Mean	1.5x	13.1x	22.2x	32.9x	22.9x	18.5x
	Towers									
AMT	American Tower	$ 36.32	$15,574.0	$18,933.8	14.7x	24.2x	n/m	n/m	n/m	n/m
CCI	Crown Castle	$ 33.58	$7,031.9	$10,268.4	13.6x	27.6x	n/m	n/m	n/m	n/m
SBAC	SBA Communications	$ 24.60	$2,551.8	$4,016.4	12.3x	30.4x	n/m	n/m	n/m	n/m
GSL	Global Signal	$ 54.41	$3,791.6	$5,512.4	11.2x	25.7x	n/m	n/m	n/m	n/m
				Mean	12.9x	27.0x				
	General Telecom									
AT	Alltel	$ 57.68	$22,322.2	$22,170.7	2.1x	5.7x	10.0x	16.0x	19.5x	20.5x
T	AT&T (new)	$ 35.66	$138,360.8	$168,621.8	2.8x	8.3x	15.9x	19.6x	15.4x	13.9x
VZ	Verizon Communications, Inc.	$ 36.09	$106,285.1	$172,054.5	1.9x	5.6x	11.0x	14.7x	14.1x	13.9x
S	Sprint Nextel Corporation	$ 19.21	$57,034.5	$76,887.5	1.7x	5.4x	20.0x	32.0x	15.2x	14.4x
				Mean	2.1x	6.3x	14.2x	20.6x	16.1x	15.7x
					TELECOM SERVICES INDEX (excludes Towers stocks)					
				High	8.0x	18.3x	34.5x	48.2x	32.8x	27.2x
				Mean	2.1x	10.6x	22.0x	24.2x	17.9x	15.5x
				Low	0.9x	5.4x	9.1x	14.7x	14.1x	12.5x

Public Market Valuation Analysis of Selected Companies in the **NEAR EARTH MEDIA INDEX**

($ in millions, except per share data)		Stock Price:			Enterprise Value as a Multiple of:			Price as a Multiple of:	
			Market Value of	Enterprise	LTM	LTM		2006E	2007E
Ticker	Company	12/14/06	Equity	Value (a)	Sales	EBITDA	LTM EBIT	EPS (b)	EPS (b)
	Satellite Television (DBS)								
BSY	British Sky Broadcasting (f)	$ 8.18	$14,655.92	$15,687.65	1.9x	6.9x	9.4x	13.2x	12.1x
DISH	EchoStar Communications	$ 38.32	$17,105.9	$21,576.1	2.3x	8.7x	15.1x	28.0x	19.8x
DTV	DirecTV Group Inc.	$ 24.95	$26,510.4	$27,856.5	2.0x	9.8x	14.5x	20.2x	16.6x
				Mean	2.0x	8.5x	13.0x	20.5x	16.2x
	Television								
TVL	LIN TV Corp.	$ 9.46	$463.0	$1,420.5	3.2x	10.6x	23.4x	n/m	41.1x
SBGI	Sinclair Broadcast Group	$ 10.64	$1,054.9	$2,430.9	3.5x	11.5x	14.8x	17.2x	36.7x
UVN	Univision Communications	$ 35.37	$11,962.1	$13,108.7	6.1x	18.1x	20.7x	33.7x	28.8x
YBTVA	Young Broadcasting Inc.	$ 2.24	$48.7	$786.2	3.7x	18.9x	n/m	n/m	n/m
				Mean	4.1x	14.8x	19.6x	25.4x	35.5x
	Satellite Radio (DARS)								
SIRI	Sirius Satellite Radio	$ 3.79	$5,326.0	$6,057.6	11.6x	n/m	n/m	n/m	n/m
WRSP	Worldspace	$ 4.50	$169.1	$173.6	11.6x	n/m	n/m	n/m	n/m
XMSR	XM Satellite Radio	$ 15.15	$4,064.2	$5,136.2	6.0x	n/m	n/m	n/m	n/m
				Mean	9.7x				
	Radio								
CCU	Clear Channel	$ 35.47	$17,476.6	$25,822.9	3.7x	11.4x	15.9x	26.5x	23.2x
CMLS	Cumulus Media Inc.	$ 10.77	$470.9	$1,035.2	3.1x	12.4x	15.9x	71.8x	59.8x
CXR	Cox Radio Inc.	$ 16.67	$1,591.7	$1,997.7	4.6x	12.6x	13.5x	19.8x	20.8x
EMMS	Emmis Communications Corp.	$ 8.05	$299.3	$826.6	2.2x	11.0x	13.9x	n/m	n/m
ETM	Entercom Communications	$ 28.00	$1,254.4	$1,901.4	4.5x	11.8x	13.2x	20.3x	17.9x
ROIA	Radio One Inc.	$ 6.71	$662.3	$1,620.8	4.4x	11.4x	13.2x	n/m	n/m
				Mean	3.7x	11.8x	14.3x	34.6x	30.5x
	NewsPrint								
DJ	Dow Jones	$ 38.90	$3,259.0	$3,912.9	2.1x	17.1x	30.9x	36.7x	26.1x
MNI	The McClatchy Company	$ 42.16	$3,423.0	$5,892.4	3.7x	14.3x	18.1x	13.6x	15.3x
NYT	New York Times	$ 23.68	$3,423.4	$4,856.0	1.4x	9.9x	14.3x	16.7x	18.6x
TRB	Tribune	$ 31.91	$8,066.8	$13,103.3	2.4x	9.4x	11.3x	16.4x	15.4x
WPO	Washington Post	$ 754.76	$7,254.8	$7,352.5	1.9x	9.8x	13.7x	20.7x	19.7x
				Mean	2.3x	12.1x	17.7x	20.8x	19.0x
					MEDIA SERVICES INDEX (excludes Satellite Radio (DARS) stocks)				
				High	6.1x	18.9x	30.9x	71.8x	59.8x
				Mean	3.2x	12.7x	16.0x	23.6x	26.6x
				Low	1.4x	6.9x	9.4x	13.2x	12.1x

(a) Calculated as Market Value of Equity plus total debt, minority interest and preferred stock, less cash & equivalents

(b) EPS estimates from Thompson First Call. Near Earth does not estimate EPS and does not condone or validate these estimates.

(c) Converted to US $ from Euro at an exchange rate of 1.3200 US $ per Euro

(d) Converted to US $ from C$ at an exchange rate of 0.86478 US $ per C$

(f) Converted to US $ from British Pound at an exchange rate of 1.8896 US $ per British Pound

n/m Not Meaningful

Member of NEAR EARTH SATELLITE INDEX

Selected Satellite, Telecom & Media Transactions

(US$ in millions)

Date Announced	Acquiror	Target	Equity Value (a)	Transaction Value (b)	Transaction Value/ LTM Sales	Transaction Value/ LTM EBITDA
Satellite Operators						
04/21/04	KKR	PanAmSat Corporation	$3,532.0	$4,300.0	5.2x	7.7x
06/06/04	Blackstone Group	New Skies Satellites NV	956.0	956.0	4.5x	7.7x
08/17/04	Zeus Holdings	Intelsat Ltd.	3,100.0	5,000.0	5.2x	7.6x
08/29/05	Intelsat Ltd.	PanAmSat Holding Corporation	3,065.0	6,271.1	7.5x	9.7x
12/14/05	SES Global	New Skies Satellites NV	760.0	1,160.0	5.0x	8.0x
12/05/06	Abertis Telecom	EutelSat (32% share)	1,000.0	1,838.0	7.3x	9.7x
12/18/06	Telesat (new)	Telesat (old)	2,800.0	2,940.0	7.1x	12.0x
12/18/06	Telesat (new)	Loral Skynet	691.0	1,050.0	7.1x	19.6x
				Mean	6.1x	10.3x
Ground Equipment						
12/06/04	SkyTerra / Apollo	HNS (Hughes' VSAT, Broadband)	$110.0	$415.0	0.8x	n/d
03/03/05	Radyne Comstream	Xicom Technology	41.0	46.0	1.1x	n/d
08/15/05	Stratos	Xantic	191.0	191.0	1.1x	n/d
09/29/05	International Datacasting	Profline (c)	4.5	3.9	1.1x	n/d
11/11/05	SkyTerra / Apollo	HNS (Hughes' VSAT, Broadband)	155.0	460.0	0.8x	n/d
11/18/05	Cisco	Scientific Atlanta	6,900.0	5,300.0	2.7x	13.2x
11/21/05	Viasat	Efficient Channel Coding Inc.	25.5	25.5	n/d	n/d
02/08/06	Tandberg Television	Skystream	80.0	80.0	2.6x	n/d
08/03/06	Thrane & Thrane	Nera's Mobile Satellite Communications	89.6	89.6	1.1x	n/d
				Mean	1.4x	
Towers						
07/04/04	Global Signal	Lattice Communications	$115.0	$115.0	9.4x	n/d
05/04/05	American Tower	Spectrasite	3,100.0	3,800.0	10.2x	17.0x
03/17/06	Crown Castle	Trintel Communications	145.0	145.0	10.1x	n/d
03/17/06	SBA Communications Corp	AAT Communications Corp	1,002.0	1,002.0	12.0x	17.9x
05/08/06	Crown Castle	Mountain Union Telecom LLC		309.0	11.9x	n/d
10/06/06	Crown Castle	Global Signal	4,000.0	5,800.0	12.1x	26.6x
				Mean	10.9x	20.5x
General Telecom (Wireless)						
02/17/04	Cingular	AT&T Wireless	$40,770.0	$47,105.0	2.8x	10.7x
12/15/04	Sprint Corp	Nextel Communications Inc	28,449.0	36,200.0	2.7x	7.1x
01/05/05	Alltel	Western Wireless	4,300.0	6,181.0	3.2x	10.7x
07/01/05	Sprint Nextel Corporation	US Unwired, Inc.	1,000.0	1,266.0	2.9x	13.2x
03/06/06	AT&T (new)	Bell South	67,000.0	89,000.0	4.3x	10.7x
				Mean	3.2x	10.5x
Television						
03/31/05	Lin TV Corp.	WNDY-TV, WWHO-TV	$85.0	$85.0	4.3x	12.9x
05/10/05	Various Acquirors (d)	Emmis Comm TV Portfolio	1,350.0	1,350.0	5.2x	14.6x
06/30/05	Univision Communications	WLII (2 TV Stations in Puerto Rico)	190.0	190.0	4.0x	16.7x
				Mean	4.5x	14.7x
Radio						
09/29/04	Capital Radio	GWR Group	$611.0	$728.0	3.1x	13.4x
06/21/05	Emap PLC	Scottish Radio Holdings	713.0	793.0	4.5x	17.7x
11/01/05	Cumulus Media Inc.	Susquehanna Radio	1,200.0	1,200.0	n/d	15.0x
02/07/06	Citadel Broadcasting	Disney (ABC Radio)	1,500.0	2,700.0	4.7x	13.5x
				Mean	4.1x	14.9x
New Media						
11/14/04	Dow Jones	Market Watch Inc.	$519.0	$463.0	5.7x	38.6x
02/17/05	New York Times	About, Inc	410.0	410.0	10.0x	30.0x
03/21/05	IAC	AskJeeves	1,850.0	1,850.0	5.8x	19.0x
06/06/05	E.W.Scripps Co.	Shopzilla Inc.	525.0	525.0	4.0x	15.9x
07/18/05	News Corp.	Intermix (MySpace.com)	580.0	571.0	6.4x	n/m
3/6/2006	NBC Universal	iVillage Inc.	600.0	550.0	6.0x	32.4x
9/12/2006	RealNetworks	WiderThan	350.0	240.0	2.0x	9.5x
				Mean	5.7x	24.2x

(a) When Equity Value was not disclosed, Transaction Value was used
(b) Calculated as Value of Equity plus interest bearing liabilities and preferred stock, less cash & equivalents
(c) Values reflect closing figures. Converted at 1.1757 C$ per US$
(d) Transaction includes the divestiture of Emmis' TV portfolio to: Lin TV ($260M), Journal Comm ($235M), Gray ($186M), Blackstone ($259M)
It also includes estimated transaction value of $410M for the final sale of 3 TV stations. This is predicted to occur sometime in 2005.
n/d Not Disclosed
n/m Not Meaningful

NEAR EARTH ANNOUNCEMENTS

Near Earth LLC professionals will be at the following conference. If you would like to schedule a meeting during this event, please email John Stone at John@nearearthllc.com

February 19-22	Satellite 2007, Washington D.C.
April 9-12	National Space Symposium, Colorado Springs, CO

Near Earth LLC runs an investment club called The Near Earth Investment Club and serves as the Club administrator/organizer as well as the primary sourcer and screener of investment opportunities. The Club periodically offers participations in primarily media, telecom and satellite industry-related, often uniquely structured, investments to its members. It is designed to provide active accredited investors with significant deal flow and issuers with access to "smart" and relatively "fast" capital.

- Diverse pool of Satellite, Media and Telecom-related investment opportunities from seed capital rounds to late stage capital and from restructurings and distressed opportunities to private investments in public companies. Club investment opportunities come from a variety of sources including transactions Near Earth LLC is engaged to complete and opportunities Near Earth or Club members find through their extensive industry contacts.
- Investments are screened by Near Earth LLC professionals and sometimes by Advisory Board or Club members with highly relevant backgrounds, before being presented to the full Club for investment consideration.
- Low minimum investment amounts (typically $25,000 - $50,000).
- Each member makes his or her own independent investment decisions on each investment opportunity and holds and votes their own shares.
- Near Earth charges no fund management fees and does not take any percentage of the investment upside. However, Near Earth may charge a 2% sourcing fee in certain cases where it receives no other compensation from the transaction. In no cases, will investors be charged a fee without notification in advance of making an investment decision.

If you would like to be considered for membership in this investment club, please contact Dan Ramsden at dan@nearearthllc.com.

ABOUT NEAR EARTH LLC

Near Earth is a specialized Investment Bank which brings the highest quality senior level attention to companies in the greater commercial satellite/space, telecom, media, entertainment, and technology industries.

Near Earth provides a full range of capital raising, advisory and consulting services to companies and their Boards. To enhance its own capabilities, Near Earth is allied with Thomas Weisel Partners and serves as their exclusive satellite industry investment banking partner. We also work with Thomas Weisel on medium to larger transactions in our other industries of focus. This alliance gives our clients the benefits of Near Earth's unmatched industry expertise, along with the strong execution capabilities of Thomas Weisel Partners for public market transactions, large private placements and M&A deals. We also provide financial advisory services, valuation, structuring, and due diligence support to private equity, hedge and distressed debt funds. Please contact us if you would like our assistance with a contemplated satellite, telecom or media investment or portfolio divestment.

Featured transaction

LINKSTORM

Series C Convertible Participating Preferred Stock

The Near Earth Investment Club financed a portion of the round

For more information about our current transactions or about Near Earth LLC, please visit our website at www.nearearthllc.com or contact us at our location below:

Headquarters
90 Park Avenue, 16th Floor
New York, NY 10016
Telephone (212) 786-7462
Fax (646) 843-9770

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